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May 9, 2024

Via Email (Iteran@strategiclegalcounseling.com)

Louis F. Teran
SLS Law Group
1055 E. Colorado Blvd., Suite #500
Pasadena, CA 91106

**Re: Spectrum Laboratories, LLC v. URZ Trendz LLC et al.
U.S. District Court, S.D. Tex., No. 4:22-cv-03705**

Dear Mr. Teran:

As you are aware, the Court in the above matter entered an order granting Spectrum Laboratories, LLC's ("Spectrum") requests for sanctions against and discovery from your client URZ Trendz, LLC ("URZ"). A copy of the order is enclosed for reference (the "Order"). This letter sets forth the information Spectrum needs from URZ to arrange for the collection, copying and review of the information ordered in the Order.

A. ESI Discovery (Order ¶ 1)

Spectrum is in discussions with an ESI vendor to obtain the ESI discovery as set out in the Order. Spectrum desires to minimize any potential business interruption to URZ because of this discovery. Spectrum reminds URZ of the Court's Order that URZ must "assist Spectrum and its ESI vendor in obtaining" the required information.

1) Order 1A

For each email account that can be accessed through web access, please provide the following:

- the name of each email account that URZ, including its owners and representatives, uses for any business purpose
- the email provider;
- username; and
- password.

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2) Order 1B

For each email account that cannot be accessed through web access, please provide the following:

- the name of each email account that URZ, including its owners and representatives, uses for any business purpose;
- a description and current location of the email server on which each such email account is maintained and emails are stored; and
- a description of the means by which the ESI vendor may access each such email account.

3) Order 1C

With regard to each hard drive, server, cell phone, laptop computer, desktop computer, tablet, or other electronic device that URZ, including its owners and representatives, uses for any business purpose, please provide the following:

- a complete inventory of every hard drive, server, cell phone, laptop computer, desktop computer, tablet, or other electronic device that URZ, including its owners and representatives, uses for any business purpose
- the brand;
- model;
- device type (e.g., hard drive, server, cell phone, laptop computer, desktop computer, tablet); and
- the current location(s) of each device.

4) Order 1D

Please identify all databases and software used by URZ to transact or track sales, including the brand/software and device(s) through which such databases and/or software can be accessed.

Spectrum's vendor will use the above information to create a protocol and quote to perform the work authorized by the Order.

B. Accounts, Records, and Physical Locations (Order ¶¶ 2-4)

Further, Spectrum needs the other information set out in the Order so that it may issue subpoenas, examine purchase and sales information, and conduct physical inspections and record examinations.

1) Bank Accounts (Order ¶ 2)

Spectrum requests the following information regarding each of URZ's bank accounts through which it transacts any business:

- bank name; and

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- account number.

In connection with serving any subpoenas, Spectrum requests that URZ notify each bank that it is authorized to comply with the subpoenas.

2) Purchase and Sales Records (Order ¶ 3)

Spectrum requests the following documents pertaining to each purchase and sale of *Quick Fix*:

- Receipts (and other proof of sales records); and
- payment records (including ACH/wire confirmations, cancelled checks, and bank records).

3) Physical Locations (Order ¶ 4)

Spectrum requests the following information regarding each of URZ's physical business and storage locations:

- the address of each location where URZ conducts business or stores business records/information;
- the hours of operation for each location; and
- proposed dates and times for physical inspection and access to business records.

Please provide the information above within ten (10) days of the date of this letter.

Regards,

s/ David B. Cupar

David B. Cupar
Lead Counsel for Spectrum Laboratories, LLC

ENTERED

May 03, 2024

Nathan Ochsner, Clerk

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

SPECTRUM	§	CIVIL ACTION NO
LABORATORIES LLC,	§	4:22-cv-03705
Plaintiff,	§	
	§	
	§	
vs.	§	JUDGE CHARLES ESKRIDGE
	§	
	§	
URZ TRENDZ LLC, <i>et al</i> ,	§	
Defendants.	§	

ORDER GRANTING IN PART MOTION FOR SANCTIONS

Plaintiff Spectrum Laboratories, LLC filed its Motion for Sanctions (the “Motion”) [Dkt. 83]. The Court has considered the Motion and responsive papers, and heard from the parties at a February 13, 2024, Motion Hearing [Dkt. 97].

The Court FINDS as follows.

The motion is DENIED to the extent that it requested sanctions for the reasons stated on the record.

The motion is GRANTED to the extent that it requested further specification and enforcement of prior discovery orders.

It is thus DETERMINED that Spectrum Laboratories must pay the cost of an ESI vendor in the first instance. If later production of relevant documents suggests substantial noncompliance to this point by URZ Trendz, Spectrum Laboratories may bring a motion to shift costs.

It is further ORDERED that:

1. URZ must make the following ESI sources available for forensic copying and searching by Spectrum’s ESI vendor (and otherwise assist

Spectrum and its ESI vendor in obtaining those copies):


- A. Each email account that URZ (including its owners or representatives) uses for any business purpose and that can be fully accessed and copied through a web browser (e.g., Gmail, Yahoo, Microsoft 365, etc.). For these email accounts, URZ must produce the name of the email provider, the username and password, and any other information or assistance needed to access and copy the accounts. With that information, Spectrum's ESI vendor should make a forensic copy of the email accounts through web access and run keyword searches, such as "Spectrum," "Quick Fix," "QF," and "counterfeit."
 - B. Each email account that URZ (including its owners or representatives) uses for any business purpose and that operate on a private email server or a server hosted by a third-party that cannot be accessed and copied through a web browser.
 - C. Each hard drive, server, cell phone, laptop computer, desktop computer, tablet, or other electronic device that URZ (including its owners or representatives) uses for any business purpose.
 - D. Any database or software through which URZ transacts or tracks sales, for example, but not limited to, QuickBooks.
2. URZ must identify every bank account through which it transacts any business, including the name of the bank and account numbers so that Spectrum may issue subpoenas to those banks to trace payments to others responsible for the counterfeiting or through whom URZ has obtained *Quick Fix*.

3. URZ must produce all records of purchases and sales of *Quick Fix*, as it was previously ordered to produce, including all receipts (or other proof of sale records) and payment records (including ACH/wire confirmations, cancelled checks, and bank records).
4. URZ must identify each physical location where it conducts business or stores business records/information. URZ must also make those locations available for physical inspection by Spectrum, provide full access to any business records, and provide assistance to Spectrum in locating and examining such records.

Failure by URZ to comply may result in monetary sanctions or a default judgment against it in Spectrum's favor.

SO ORDERED.

Signed on May 3, 2024, at Houston, Texas.


Hon. Charles Eskridge
United States District Judge